7 Strategic Planning Mistakes

That Derail Execution

01 Failing to Think Systemically

Strategic planning is not simply about choosing the right direction, it is about aligning the entire organization behind it. Every strategic decision affects people, processes, culture, incentives, customers and organizational systems. The interrelationships between departments, competing motivations and reward systems will be perceived by employees and customers.

Most strategic shifts hit a wall not because it wasn't the right move but because the organization and the people did not follow. Strategic initiatives fail not because the strategy was wrong but because the organization was never aligned to execute it.

Leaders must think beyond the plan itself and consider how every part of the organization will respond. Strategy succeeds when systems, structure and people move together.

02 Treating Strategy as an Operational Exercise

Many organizations focus heavily on budgets, projects and processes while overlooking the people and culture required to execute the strategy. A good strategy should provide equal consideration to “how” the organization functions and behaves, adjusting the business and processes accordingly.

Align performance and compensation to address the “who” and “why” people work. People, processes and technology are the engine that will move the strategy forward.

Careful planning will increase the probability of success. Peter Senge says that learning organizations of the future will make key decisions based on shared understanding of inter-relationships and patterns of change.

03 Thinking Too Small

Strategic plans are talked about as being future oriented, but when pressed, they reveal more about today's problems than tomorrow's opportunities. Good thinking should result in ideas that will differentiate from the competition with a sustainable advantage. The real winners will reinvent their industry with radical and innovative ideas.

Too many strategic plans tend to be incremental operational plans or simply improve today's operations instead of creating tomorrow's opportunities. Competitive advantage comes from creating value that the customers want and the competitors cannot easily replicate. It is not merely becoming slightly better at what everyone else already does.

04 Letting Today's Reality Limit Tomorrow's Possibilities

Current limitations should inform planning but not define it or the future. Work from “what could be,” not “what is.” A futures focused perspective anticipates emerging trends, prepares for change and develops strategies that position organizations and leaders for future opportunities.

Begin with the future you want to create. Follow slow moving trends over time as well as the competition and other political, industry and economic factors. Anticipate where the money, markets, customers and competitors will be in the future then build the strategies and capabilities required to meet it.

As Peter Senge describes, creative tension is the gap between today's reality and tomorrow's vision. Great leaders use that tension to drive innovation, change and organizational growth. Don't let the limitations of current reality limit your future. Your people and operational plans are the tools to drive the changes required to meet your future.

05 Excluding the Right People

People are far more committed to executing a strategy they helped create. Industries, technology, customers and competitors are rapidly changing so it is impossible for one person or a group of executives to see every perspective or advantage. Include leaders and a broad representation of employees who bring different perspectives, expertise and experiences, not simply those with authority. Consider including suppliers, vendors or other key influencers.

You will not only include differing opinions but create a sense of emotional and intellectual ownership. They will own the outcome and get their peers on board. The IQ of the team is greater than the IQ of the individual. Vision becomes a living force only when people truly believe they can shape their future. People support what they help create.

06 Ignoring the Data and Evidence

Strategy is part art and part science. Data and facts should lead to informed assumptions. Incorporate reliable financial, customer, employee, competitive, industry, technological and market data to understand reality before making strategic decisions. Effective leaders resist the temptation to dismiss information simply because it challenges their assumptions. Data should sharpen judgment; it does not replace it.

07 Failing to Measure What Matters

A strategy without meaningful measures is simply a good intention. How do you know you were effective? How do you know you are making progress? How do you know that you are heading in the right direction? Some things are more difficult to measure so there should be some indicators.

Measurement creates accountability and keeps strategy from becoming a document that sits on a shelf. Identify a small number of key performance indicators that reveal whether the organization is making meaningful progress toward its strategic objectives.

> *What gets measured gets discussed.*
> *What gets discussed gets improved.*
> *What gets improved gets accomplished.*

Performance management, compensation, financial metrics and the balanced scorecard should all reveal tactical progress against the strategic plan. You get what you measure.